

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1396 be amended to read as follows:

- 1 Page 5, between lines 16 and 17, begin a new paragraph and insert:
- 2 "SECTION 3. IC 4-31-2-10.5 IS ADDED TO THE INDIANA
- 3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 4 [EFFECTIVE JULY 1, 2006]: **Sec. 10.5. "Live racing day" means a**
- 5 **day on which at least eight (8) live horse races are conducted.**
- 6 SECTION 4. IC 4-31-2-20.7 IS ADDED TO THE INDIANA
- 7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 8 [EFFECTIVE JULY 1, 2006]: **Sec. 20.7. "Slot machine" has the**
- 9 **meaning set forth in IC 4-35-2-9.**
- 10 SECTION 5. IC 4-31-4-2 IS AMENDED TO READ AS
- 11 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A county fiscal
- 12 body may adopt an ordinance permitting the filing of applications under
- 13 IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks
- 14 in the county. However, before adopting the ordinance, the county
- 15 fiscal body must:
- 16 (1) conduct a public hearing on the proposed ordinance; and
- 17 (2) publish notice of the public hearing in the manner prescribed
- 18 by IC 5-3-1.
- 19 (b) The county fiscal body may:
- 20 (1) require in the ordinance adopted by the county fiscal body that
- 21 before applications under IC 4-31-5 to conduct pari-mutuel
- 22 wagering on horse races at racetracks in the county may be filed,
- 23 the voters of the county must approve the conducting of horse
- 24 racing meetings in the county under section 3 of this chapter; or
- 25 (2) amend an ordinance already adopted by the county fiscal body

to require that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who has already been issued a permit under IC 4-31-5 before amendment of the ordinance.

(c) An ordinance adopted under this section authorizing a person to conduct pari-mutuel wagering on horse races at racetracks in the county may not be adopted or amended in a manner that restricts a person's ability to conduct gambling games under IC 4-35. An ordinance adopted by the county fiscal body permitting slot machines in the county is not a prerequisite for the lawful operation of slot machines under IC 4-35.

SECTION 6. IC 4-31-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) The commission shall determine the dates ~~and the number~~ of racing days authorized under each recognized meeting permit. Except for racing at winterized tracks, a recognized meeting may not be conducted after December 10 of a calendar year.

(b) The commission shall require at least one hundred sixty (160) live racing days each calendar year at the racetrack designated in a permit holder's permit, as follows:

(1) One hundred (100) live racing days must be for standardbreds.

(2) Sixty (60) live racing days must be for horses that are:

(A) mounted by jockeys; and

(B) run on a course without jumps or obstacles.

The requirements of this subsection are a continuing condition for maintaining the permit holder's permit. However, the requirements do not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or another event over which the permit holder has no control.

SECTION 7. IC 4-31-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. (a) A person holding a permit to conduct a horse racing meeting or a license to operate a satellite facility may provide a place in the racing meeting grounds or enclosure or the satellite facility at which the person may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the horse races conducted or simulcast by the person. The person may not permit or use:

(1) another place other than that provided and designated by the person; or

(2) another method or system of betting or wagering.

However, a permit holder licensed to conduct gambling games

under IC 4-35 may permit wagering on slot machines at a racetrack as permitted by IC 4-35.

(b) Except as provided in section 7 of this chapter and IC 4-31-5.5, the pari-mutuel system of wagering may not be conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 8. IC 4-31-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A person less than eighteen (18) years of age may not wager at a horse racing meeting.

(b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of age may not enter the grandstand, clubhouse, or similar areas of a racetrack at which wagering is permitted unless accompanied by a person who is at least twenty-one (21) years of age.

(c) A person less than eighteen (18) years of age may not enter a satellite facility.

(d) Except as provided by IC 4-35-7-2, a person less than twenty-one (21) years of age may not enter the part of a racetrack in which gambling games are conducted under IC 4-35.

SECTION 9. IC 4-31-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. A person that holds a permit to conduct a horse racing meeting or a license to operate a satellite facility shall withhold:

(1) eighteen percent (18%) of the total of money wagered on each day at the racetrack or satellite facility (including money wagered on exotic wagering pools, **but excluding money wagered on slot machines under IC 4-35**); plus

(2) an additional three and one-half percent (3.5%) of the total of all money wagered on exotic wagering pools on each day at the racetrack or satellite facility."

Page 30, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 11. IC 4-33-2-17.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 17.5. "Slot machine taxes" means the state wagering tax imposed on gambling games conducted by a person holding a gambling game license issued under IC 4-35-5.**

SECTION 12. IC 4-33-12-6, AS AMENDED BY P.L.4-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

- 1 (A) the city in which the riverboat is docked, if the city:
 2 (i) is located in a county having a population of more than
 3 one hundred ten thousand (110,000) but less than one
 4 hundred fifteen thousand (115,000); or
 5 (ii) is contiguous to the Ohio River and is the largest city in
 6 the county; and
 7 (B) the county in which the riverboat is docked, if the riverboat
 8 is not docked in a city described in clause (A).
 9 (2) Except as provided in subsection (k), one dollar (\$1) of the
 10 admissions tax collected by the licensed owner for each person:
 11 (A) embarking on a gambling excursion during the quarter; or
 12 (B) admitted to a riverboat during the quarter that has
 13 implemented flexible scheduling under IC 4-33-6-21;
 14 shall be paid to the county in which the riverboat is docked. In the
 15 case of a county described in subdivision (1)(B), this one dollar
 16 (\$1) is in addition to the one dollar (\$1) received under
 17 subdivision (1)(B).
 18 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
 19 admissions tax collected by the licensed owner for each person:
 20 (A) embarking on a gambling excursion during the quarter; or
 21 (B) admitted to a riverboat during the quarter that has
 22 implemented flexible scheduling under IC 4-33-6-21;
 23 shall be paid to the county convention and visitors bureau or
 24 promotion fund for the county in which the riverboat is docked.
 25 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
 26 the admissions tax collected by the licensed owner for each
 27 person:
 28 (A) embarking on a gambling excursion during the quarter; or
 29 (B) admitted to a riverboat during a quarter that has
 30 implemented flexible scheduling under IC 4-33-6-21;
 31 shall be paid to the state fair commission, for use in any activity
 32 that the commission is authorized to carry out under IC 15-1.5-3.
 33 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
 34 admissions tax collected by the licensed owner for each person:
 35 (A) embarking on a gambling excursion during the quarter; or
 36 (B) admitted to a riverboat during the quarter that has
 37 implemented flexible scheduling under IC 4-33-6-21;
 38 shall be paid to the division of mental health and addiction. The
 39 division shall allocate at least twenty-five percent (25%) of the
 40 funds derived from the admissions tax to the prevention and
 41 treatment of compulsive gambling.
 42 (6) Except as provided in subsection (k) **and section 7 of this**
 43 **chapter**, sixty-five cents (\$0.65) of the admissions tax collected
 44 by the licensed owner for each person embarking on a gambling
 45 excursion during the quarter or admitted to a riverboat during the
 46 quarter that has implemented flexible scheduling under
 47 IC 4-33-6-21 shall be paid to the Indiana horse racing commission

to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the

- 1 county fiscal body:
- 2 (i) A town having a population of more than two thousand
- 3 two hundred (2,200) but less than three thousand five
- 4 hundred (3,500) located in a county having a population of
- 5 more than nineteen thousand three hundred (19,300) but less
- 6 than twenty thousand (20,000).
- 7 (ii) A town having a population of more than three thousand
- 8 five hundred (3,500) located in a county having a population
- 9 of more than nineteen thousand three hundred (19,300) but
- 10 less than twenty thousand (20,000).
- 11 (2) Sixteen percent (16%) of the admissions tax collected during
- 12 the quarter shall be paid in equal amounts to each town that:
- 13 (A) is located in the county in which the riverboat docks; and
- 14 (B) contains a historic hotel.
- 15 The town council shall appropriate a part of the money received
- 16 by the town under this subdivision to the budget of the town's
- 17 tourism commission.
- 18 (3) Nine percent (9%) of the admissions tax collected during the
- 19 quarter shall be paid to the historic hotel preservation commission
- 20 established under IC 36-7-11.5.
- 21 (4) Twenty-five percent (25%) of the admissions tax collected
- 22 during the quarter shall be paid to the West Baden Springs historic
- 23 hotel preservation and maintenance fund established by
- 24 IC 36-7-11.5-11(b).
- 25 (5) Twenty-five percent (25%) of the admissions tax collected
- 26 during the quarter shall be paid to the Indiana economic
- 27 development corporation to be used by the corporation for the
- 28 development and implementation of a regional economic
- 29 development strategy to assist the residents of the county in which
- 30 the riverboat is located and residents of contiguous counties in
- 31 improving their quality of life and to help promote successful and
- 32 sustainable communities. The regional economic development
- 33 strategy must include goals concerning the following issues:
- 34 (A) Job creation and retention.
- 35 (B) Infrastructure, including water, wastewater, and storm
- 36 water infrastructure needs.
- 37 (C) Housing.
- 38 (D) Workforce training.
- 39 (E) Health care.
- 40 (F) Local planning.
- 41 (G) Land use.
- 42 (H) Assistance to regional economic development groups.
- 43 (I) Other regional development issues as determined by the
- 44 Indiana economic development corporation.
- 45 (d) With respect to tax revenue collected from a riverboat that
- 46 operates from a county having a population of more than four hundred
- 47 thousand (400,000) but less than seven hundred thousand (700,000), the

- 1 treasurer of state shall quarterly pay the following amounts:
- 2 (1) Except as provided in subsection (k), one dollar (\$1) of the
- 3 admissions tax collected by the licensed owner for each person:
- 4 (A) embarking on a gambling excursion during the quarter; or
- 5 (B) admitted to a riverboat during the quarter that has
- 6 implemented flexible scheduling under IC 4-33-6-21;
- 7 shall be paid to the city in which the riverboat is docked.
- 8 (2) Except as provided in subsection (k), one dollar (\$1) of the
- 9 admissions tax collected by the licensed owner for each person:
- 10 (A) embarking on a gambling excursion during the quarter; or
- 11 (B) admitted to a riverboat during the quarter that has
- 12 implemented flexible scheduling under IC 4-33-6-21;
- 13 shall be paid to the county in which the riverboat is docked.
- 14 (3) Except as provided in subsection (k), nine cents (\$0.09) of the
- 15 admissions tax collected by the licensed owner for each person:
- 16 (A) embarking on a gambling excursion during the quarter; or
- 17 (B) admitted to a riverboat during the quarter that has
- 18 implemented flexible scheduling under IC 4-33-6-21;
- 19 shall be paid to the county convention and visitors bureau or
- 20 promotion fund for the county in which the riverboat is docked.
- 21 (4) Except as provided in subsection (k), one cent (\$0.01) of the
- 22 admissions tax collected by the licensed owner for each person:
- 23 (A) embarking on a gambling excursion during the quarter; or
- 24 (B) admitted to a riverboat during the quarter that has
- 25 implemented flexible scheduling under IC 4-33-6-21;
- 26 shall be paid to the northwest Indiana law enforcement training
- 27 center.
- 28 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of
- 29 the admissions tax collected by the licensed owner for each
- 30 person:
- 31 (A) embarking on a gambling excursion during the quarter; or
- 32 (B) admitted to a riverboat during a quarter that has
- 33 implemented flexible scheduling under IC 4-33-6-21;
- 34 shall be paid to the state fair commission for use in any activity
- 35 that the commission is authorized to carry out under IC 15-1.5-3.
- 36 (6) Except as provided in subsection (k), ten cents (\$0.10) of the
- 37 admissions tax collected by the licensed owner for each person:
- 38 (A) embarking on a gambling excursion during the quarter; or
- 39 (B) admitted to a riverboat during the quarter that has
- 40 implemented flexible scheduling under IC 4-33-6-21;
- 41 shall be paid to the division of mental health and addiction. The
- 42 division shall allocate at least twenty-five percent (25%) of the
- 43 funds derived from the admissions tax to the prevention and
- 44 treatment of compulsive gambling.
- 45 (7) Except as provided in subsection (k) **and section 7 of this**
- 46 **chapter**, sixty-five cents (\$0.65) of the admissions tax collected
- 47 by the licensed owner for each person embarking on a gambling

excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The

division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

- (1) Each entity receiving money under subsection (b).
- (2) Each entity receiving money under subsection (d)(1) through (d)(2).
- (3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

- (1) ~~exceed~~ **exceeds** a particular entity's base year revenue; and
 - (2) would otherwise be due to the entity under this section;
- to the property tax replacement fund instead of to the entity.

SECTION 13. IC 4-33-12-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 7. (a) The maximum amount paid to the Indiana horse racing commission under this article in a state fiscal year ending before July 1, 2008, may not exceed the remainder of:**

- (1) the Indiana horse racing commission's base year revenue**

as determined under section 6(h) of this chapter; minus
 (2) the amount of slot machine taxes, if any, distributed to the
 Indiana horse racing commission under IC 4-35-8-3 in the
 state fiscal year.

(b) For a state fiscal year ending before July 1, 2008, the
 treasurer of state shall pay an amount equal to the lesser of:

(1) the amount of admissions taxes specified in:

(A) section 6(b)(6) of this chapter; and

(B) section 6(d)(7) of this chapter; or

(2) the amount of slot machine taxes subtracted from the
 Indiana horse racing commission's base year revenue under
 subsection (a);

to the state general fund instead of to the Indiana horse racing
 commission.

(c) For a state fiscal year beginning after June 30, 2008, the
 Indiana horse racing commission is not entitled to a distribution of
 admissions taxes collected under this chapter. After June 30, 2008,
 the treasurer of state shall pay the total amount of admissions taxes
 specified in:

(1) section 6(b)(6) of this chapter; and

(2) section 6(d)(7) of this chapter;

to the state general fund instead of to the Indiana horse racing
 commission."

Page 35, line 4, after "." delete "The" and insert "Except as
 provided in subsection (i), the".

Page 35, line 4, after "of" strike "the" and insert "an entity's".

Page 35, between lines 22 and 23, begin a new paragraph and insert:

"(i) This subsection applies only to the Indiana horse racing
 commission. For a state fiscal year ending before July 1, 2008, the
 amount of the Indiana horse racing commission's supplemental
 distribution under subsection (g) must be reduced by the amount
 required under IC 4-33-12-7(a). For a state fiscal year beginning
 after June 30, 2008, the Indiana horse racing commission is not
 entitled to a supplemental distribution under subsection (g)."

Page 35, line 34, strike "Indiana" and insert "state".

Page 35, line 37, delete "IC 4-32.2 or" and insert "IC 4-32.2,".

Page 35, line 38, delete "." and insert ", or IC 4-35."

Page 36, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 17. IC 4-35 IS ADDED TO THE INDIANA CODE AS
 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 2006]:

ARTICLE 35. GAMBLING GAMES AT RACETRACKS

Chapter 1. Application

Sec. 1. This article applies only to gambling games conducted by
 a permit holder holding a gambling game license issued under
 IC 4-35-5.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Adjusted gross receipts" means:

(1) the total of all cash and property (including checks received by a licensee, whether collected or not) received by a licensee from gambling games; minus

(2) the total of:

(A) all cash paid out to patrons as winnings for gambling games; and

(B) uncollectible gambling game receivables, not to exceed the lesser of:

(i) a reasonable provision for uncollectible patron checks received from gambling games; or

(ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out to patrons as winnings for gambling games.

For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the licensee from gambling games.

Sec. 3. "Commission" refers to the Indiana gaming commission established by IC 4-33-3-1.

Sec. 4. "Department" refers to the department of state revenue.

Sec. 5. "Gambling game" means a game played on a slot machine.

Sec. 6. "Licensee" means a permit holder holding a gambling game license issued under IC 4-35-5.

Sec. 7. "Permit holder" means a person holding a permit issued under IC 4-31-5 to conduct a pari-mutuel horse racing meeting.

Sec. 8. "Racetrack" means the racetrack specified in a permit holder's permit to conduct a pari-mutuel horse racing meeting.

Sec. 9. "Slot machine" means a type of electronic gaming device approved by the commission as a wagering device for use under this article.

Sec. 10. "Supplier's license" means a license issued under IC 4-35-6.

Chapter 3. General Provisions

Sec. 1. All shipments of slot machines to licensees in Indiana, the registering, recording, and labeling of which have been completed by the manufacturer or dealer in accordance with 15 U.S.C. 1171 through 15 U.S.C. 1178, are legal shipments of gambling devices into Indiana.

Sec. 2. Under 15 U.S.C. 1172, approved January 2, 1951, the state of Indiana, acting by and through elected and qualified members of the general assembly, declares that the state is exempt from 15 U.S.C. 1172.

Chapter 4. Powers and Duties of the Indiana Gaming Commission

Sec. 1. The commission shall regulate and administer gambling games conducted by a licensee under this article.

Sec. 2. The commission shall do the following:

(1) Adopt rules that the commission determines are necessary to protect or enhance the following:

(A) The credibility and integrity of gambling games authorized under this article.

(B) The regulatory process provided in this article.

(2) Conduct all hearings concerning civil violations of this article.

(3) Provide for the establishment and collection of license fees imposed under this article, and deposit the license fees in the state general fund.

(4) Levy and collect penalties for noncriminal violations of this article, and deposit the penalties in the state general fund.

(5) Adopt appropriate standards for the design, appearance, aesthetics, and construction of slot machine facilities authorized under this article.

Sec. 3. The commission shall adopt rules under IC 4-22-2 for the following purposes:

(1) Administering this article.

(2) Establishing the conditions under which gambling games at racetracks may be conducted.

(3) Providing for the prevention of practices detrimental to the public interest.

(4) Establishing rules concerning the inspection of gambling game facilities at racetracks and the review of the licenses necessary to conduct gambling games under this article.

(5) Imposing penalties for noncriminal violations of this article.

Sec. 4. The commission may enter into a contract with the Indiana horse racing commission for the provision of services necessary to administer this article.

Chapter 5. Gambling Game License

Sec. 1. The commission may issue a license to a permit holder to conduct gambling games under this article at the permit holder's racetrack. The number of licenses issued under this chapter may not exceed two (2).

Sec. 2. Before issuing a license to a person under this chapter, the commission shall subject the person to a background investigation similar to a background investigation required for an applicant for a riverboat owner's license under IC 4-33-6.

Sec. 3. A permit holder that is issued a gambling game license under this article must pay an initial licensing fee equal to the

1 product of:

- 2 (1) forty thousand dollars (\$40,000); multiplied by
 3 (2) the number of slot machines that the permit holder will
 4 place into service at the permit holder's racetrack.

5 The fee required under this section must be paid to the commission
 6 before September 1, 2006.

7 Sec. 4. An initial gambling game license expires five (5) years
 8 after the effective date of the license. Unless the gambling game
 9 license is terminated or revoked, the gambling game license may be
 10 renewed annually thereafter upon:

- 11 (1) the payment of an annual renewal fee of five thousand
 12 dollars (\$5,000); and
 13 (2) a determination by the commission that the licensee
 14 satisfies the conditions of this chapter.

15 Sec. 5. (a) The commission shall conduct a complete
 16 investigation of each licensee every three (3) years to determine
 17 whether the licensee remains in compliance with this article.

18 (b) Notwithstanding subsection (a), the commission may
 19 investigate a licensee at any time the commission determines it is
 20 necessary to ensure that the licensee remains in compliance with
 21 this article.

22 Sec. 6. A permit holder or other person investigated under this
 23 chapter shall bear the cost of the investigation.

24 Sec. 7. (a) A licensee or any other person must apply for and
 25 receive the commission's approval before:

- 26 (1) a gambling game license is:
 27 (A) transferred;
 28 (B) sold; or
 29 (C) purchased; or
 30 (2) a voting trust agreement or other similar agreement is
 31 established with respect to the gambling game license.

32 (b) The commission shall adopt rules governing the procedure
 33 a licensee or other person must follow to take an action under
 34 subsection (a). The rules must specify that a person who obtains an
 35 ownership interest in a gambling game license must meet the
 36 criteria of this article and rules adopted by the commission. A
 37 licensee may transfer a gambling game license only in accordance
 38 with this article and rules adopted by the commission.

39 (c) A licensee or any other person may not:

- 40 (1) lease;
 41 (2) hypothecate; or
 42 (3) borrow or loan money against;

43 a gambling game license.

44 (d) A transfer fee is imposed on a person who purchases or
 45 otherwise acquires a controlling interest, as determined under the
 46 rules of the commission, in a gambling game license previously

1 issued to another person. The fee is equal to two million dollars
2 (\$2,000,000).

3 **Sec. 8. The commission shall transfer:**

- 4 (1) fees collected under this chapter; and
5 (2) all investigation costs recovered under this chapter;
6 to the treasurer of state for deposit in the state general fund.

7 **Chapter 6. Slot Machine Suppliers**

8 **Sec. 1. The commission may issue a supplier's license under this**
9 **chapter to a person if:**

10 (1) the person has:

- 11 (A) applied for the supplier's license;
12 (B) paid a nonrefundable application fee set by the
13 commission;
14 (C) paid a five thousand dollar (\$5,000) annual supplier's
15 license fee; and
16 (D) submitted, on forms provided by the commission, two

17 (2) sets of:

- 18 (i) the individual's fingerprints, if the applicant is an
19 individual; or
20 (ii) fingerprints for each officer and director of the
21 applicant, if the applicant is not an individual; and

22 (2) the commission has determined that the applicant is
23 eligible for a supplier's license.

24 **Sec. 2. A person may not receive a supplier's license under this**
25 **chapter if:**

26 (1) the person has been convicted of a felony under Indiana
27 law, the laws of any other state, or the laws of the United
28 States;

29 (2) the person has knowingly or intentionally submitted an
30 application for a supplier's license under this chapter that
31 contains false information;

32 (3) the person is a member of the commission;

33 (4) the person is an officer, a director, or a managerial
34 employee of a person described in subdivision (1) or (2);

35 (5) the person employs an individual who:

- 36 (A) is described in subdivision (1), (2), or (3); or
37 (B) participates in the management or operation of
38 gambling operations authorized under this article;

39 (6) the person owns more than a ten percent (10%) ownership
40 interest in any other person holding a permit issued under
41 IC 4-31; or

42 (7) a license issued to the person:

- 43 (A) under this article;
44 (B) under IC 4-33-7; or
45 (C) to supply gaming supplies in another jurisdiction;

46 has been revoked.

1 **Sec. 3. A holder of a supplier's license may:**

- 2 (1) sell;
3 (2) lease; or
4 (3) contract to sell or lease;

5 **a slot machine to a licensee.**

6 **Sec. 4. A person may not furnish slot machines to a licensee**
7 **unless the person possesses a supplier's license.**

8 **Sec. 5. A slot machine may not be distributed for use under this**
9 **article unless the slot machine conforms to standards adopted by**
10 **the commission.**

11 **Sec. 6. (a) A supplier shall furnish to the commission a list of all**
12 **slot machines offered for sale or lease in connection with gambling**
13 **games authorized under this article.**

14 **(b) A supplier shall keep books and records for the furnishing**
15 **of slot machines to licensees. The books and records required**
16 **under this subsection must be kept separate from the books and**
17 **records of any other business operated by the supplier.**

18 **(c) A supplier shall file a quarterly return with the commission**
19 **listing all sales and leases.**

20 **(d) A supplier shall permanently affix the supplier's name to all**
21 **slot machines that the supplier provides to licensees under this**
22 **chapter.**

23 **Sec. 7. If the commission determines that a supplier's slot**
24 **machine has been used by a person in an unauthorized gambling**
25 **operation, the slot machine shall be forfeited to the state.**

26 **Sec. 8. Slot machines operated under this article may be:**

- 27 (1) repaired on the premises of a racetrack; or
28 (2) removed for repair from the racetrack to a facility owned
29 by the licensee.

30 **Sec. 9. (a) Unless a supplier's license is suspended, expires, or is**
31 **revoked, the supplier's license may be renewed annually upon:**

- 32 (1) the payment of a five thousand dollar (\$5,000) annual
33 renewal fee; and
34 (2) a determination by the commission that the holder of the
35 supplier's license is in compliance with this article.

36 **(b) The commission shall conduct a complete investigation of**
37 **each holder of a supplier's license every three (3) years to**
38 **determine whether the holder of the supplier's license is in**
39 **compliance with this article.**

40 **(c) Notwithstanding subsection (b), the commission may**
41 **investigate the holder of a supplier's license at any time the**
42 **commission determines it is necessary to ensure that the holder of**
43 **the supplier's license is in compliance with this article.**

44 **(d) The holder of a supplier's license shall bear the cost of an**
45 **investigation or a reinvestigation of the licensee and any**
46 **investigation resulting from a potential transfer of ownership.**

1 **Sec. 10. The commission shall transfer:**

2 (1) fees collected under this chapter; and

3 (2) all investigation costs recovered under this chapter;
4 to the treasurer of state for deposit in the state general fund.

5 **Chapter 7. Conduct of Gambling Games at Racetracks**

6 **Sec. 1. Gambling games authorized under this article may not**
7 **be conducted anywhere other than a slot machine facility located**
8 **at a racetrack.**

9 **Sec. 2. (a) A person who is less than twenty-one (21) years of age**
10 **may not wager on a slot machine.**

11 (b) Except as provided in subsection (c), a person who is less
12 than twenty-one (21) years of age may not be present in the area of
13 a racetrack where gambling games are conducted.

14 (c) A person who is at least eighteen (18) years of age and who
15 is an employee of the racetrack may be present in the area of the
16 racetrack where gambling games are conducted. However, an
17 employee who is less than twenty-one (21) years of age may not
18 perform any function involving gambling by the patrons of the
19 licensee's slot machine facility.

20 **Sec. 3. Minimum and maximum wagers on gambling games**
21 **shall be determined by the licensee.**

22 **Sec. 4. The following may inspect a licensee's slot machine**
23 **facility at any time to determine if this article is being violated:**

24 (1) Employees of the commission.

25 (2) Officers of the state police department.

26 **Sec. 5. Employees of the commission have the right to be present**
27 **in a licensee's slot machine facility.**

28 **Sec. 6. A slot machine may be purchased or leased only from a**
29 **supplier licensed under this article.**

30 **Sec. 7. Except as permitted under this article, a licensee may not**
31 **permit any form of wagering in the licensee's slot machine facility.**

32 **Sec. 8. Wagers may be received only from a person present in a**
33 **licensee's slot machine facility. A person present in a licensee's slot**
34 **machine facility may not place or attempt to place a wager on**
35 **behalf of another person who is not present in the licensee's slot**
36 **machine facility.**

37 **Sec. 9. Wagering may not be conducted with money or other**
38 **negotiable currency.**

39 **Sec. 10. (a) A patron may make a wager at a racetrack only by**
40 **means of:**

41 (1) a token; or

42 (2) an electronic card;

43 purchased from a licensee at the licensee's racetrack.

44 (b) A token or electronic card may be purchased by means of an
45 agreement under which a licensee extends credit to the patron.

46 **Sec. 11. A token or electronic card described in section 10 of this**

chapter may be used by a patron while the patron is present at the racetrack only to make a wager on a slot machine authorized under this article.

Sec. 12. A licensee may not install more than two thousand five hundred (2,500) slot machines on the premises of the licensee's racetrack.

Chapter 8. Taxation of Slot Machine Wagering

Sec. 1. (a) A state wagering tax is imposed on the adjusted gross receipts received from wagering on slot machines authorized under this article at the rate of thirty-two percent (32%).

(b) A licensee shall remit the tax imposed by this section to the department before the close of the business day following the day the wagers are made.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the licensee to file a monthly report to reconcile the amounts remitted to the department.

(e) The payment of the tax under this section must be on a form prescribed by the department.

Sec. 2. (a) The state racetrack gaming fund is established.

(b) The department shall deposit tax revenue collected under section 1 of this chapter in the state racetrack gaming fund.

(c) Money in the state racetrack gaming fund is appropriated for purposes of this chapter.

Sec. 3. (a) This section applies to the first twenty-seven million two hundred five thousand two hundred eighty-four dollars (\$27,205,284) deposited in the state racetrack gaming fund in a state fiscal year ending before July 1, 2008.

(b) Before the fifteenth day of each month, the treasurer of state shall distribute the tax revenue deposited in the state racetrack gaming fund in the preceding month to the Indiana horse racing commission to be distributed in amounts determined by the Indiana horse racing commission as follows:

(1) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(2) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this subdivision only for purses, promotions, and routine operations of the racetrack. A grant may not be made for long term capital investment or construction, and a grant may not be made before the racetrack becomes operational and is offering a racing schedule.

Sec. 4. (a) This section applies to the tax revenue deposited in the state racetrack gaming fund that exceeds twenty-seven million two

1 hundred five thousand two hundred eighty-four dollars
2 (\$27,205,284) in a state fiscal year ending before July 1, 2008.

3 (b) The treasurer of state shall transfer the first one hundred
4 million dollars (\$100,000,000) of the tax revenue described in
5 subsection (a) to the state general fund.

6 (c) After making the transfer required by subsection (b), the
7 treasurer of state shall transfer the remaining amount of tax
8 revenue deposited in the state racetrack gaming fund in a state
9 fiscal year ending before July 1, 2008, to the revenue sharing fund
10 established by section 10 of this chapter.

11 (d) Money deposited in the state general fund under this section
12 must be used as follows:

13 (1) Seventy-five percent (75%) must be used to provide
14 textbook grants to school corporations under IC 21-3-1.7-11.

15 (2) Twenty-five percent (25%) must be transferred to the
16 school rainy day fund established under section 12 of this
17 chapter.

18 Sec. 5. (a) This section applies to a state fiscal year beginning
19 after June 30, 2008.

20 (b) The treasurer of state shall transfer the first one hundred
21 million dollars (\$100,000,000) of the tax revenue deposited in the
22 state racetrack gaming fund in a state fiscal year to the state
23 general fund.

24 (c) After making the transfer required by subsection (b), the
25 treasurer of state shall transfer the remaining amount of tax
26 revenue deposited in the state racetrack gaming fund in a state
27 fiscal year to the revenue sharing fund established by section 10 of
28 this chapter.

29 (d) Money deposited in the state general fund under this section
30 must be used as follows:

31 (1) Seventy-five percent (75%) must be used to provide
32 textbook grants to school corporations under IC 21-3-1.7-11.

33 (2) Twenty-five percent (25%) must be transferred to the
34 school rainy day fund established under section 12 of this
35 chapter.

36 Sec. 6. (a) A local wagering tax is imposed on the adjusted gross
37 receipts received from wagering on slot machines authorized under
38 this article at the rate of four percent (4%).

39 (b) A licensee shall remit the tax imposed by this section to the
40 department before the close of the business day following the day
41 the wagers are made.

42 (c) The department may require payment under this section to
43 be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

44 (d) If the department requires taxes to be remitted under this
45 chapter through electronic funds transfer, the department may
46 allow the licensee to file a monthly report to reconcile the amounts

remitted to the department.

(e) The department may allow taxes remitted under this section to be reported on the same form used for taxes paid under section 1 of this chapter.

Sec. 7. (a) The local racetrack gaming fund is established. Money in the local racetrack gaming fund does not revert to the state general fund at the end of a state fiscal year.

(b) The department shall deposit tax revenue collected under section 6 of this chapter in the local racetrack gaming fund.

(c) The treasurer of state shall establish a separate account within the local racetrack gaming fund for each county containing a racetrack. Each account consists of the local wagering taxes remitted by the county's racetrack under section 6 of this chapter and deposited in the local racetrack gaming fund under subsection (b).

(d) Money in the local racetrack gaming fund is appropriated for purposes of this chapter.

Sec. 8. The treasurer of state shall distribute the taxes deposited in each account established under section 7 of this chapter for each county containing a racetrack as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

Sec. 9. (a) Before the fifteenth day of each month, a licensee shall pay to the Indiana horse racing commission for the promotion of horse racing a fee of fifteen and twenty-five hundredths percent (15.25%) of the licensee's adjusted gross receipts received for the previous month from wagering on slot machines authorized by this article. Money received under this subsection must be spent as follows:

(1) One and five-tenths percent (1.5%) for equine welfare.

(2) One and five-tenths percent (1.5%) for backside benevolence.

(3) Ninety-seven percent (97%) to promote horses and horse racing in accordance with subsection (c).

(b) The Indiana horse racing commission may expend the amounts described in subsection (a)(1) through (a)(2) for a purpose promoting equine welfare or for a benevolent purpose that the Indiana horse racing commission determines in its sole discretion to be in the best interests of horse racing in Indiana.

(c) The Indiana horse racing commission shall distribute the

amount described in subsection (a)(3) as follows:

(1) Forty-six percent (46%) for thoroughbred purposes as follows:

(A) Seventy percent (70%) for the following purposes:

(i) Ninety-eight percent (98%) for thoroughbred purses.

(ii) One percent (1%) to the horsemen's association representing thoroughbred owners and trainers.

(iii) One percent (1%) to the horsemen's association representing thoroughbred owners and breeders.

(B) Thirty percent (30%) to the breed development fund established for thoroughbreds under IC 4-31-11-10.

(2) Forty-six percent (46%) for standardbred purposes as follows:

(A) Fifty percent (50%) for the following purposes:

(i) Ninety-eight percent (98%) for standardbred purses.

(ii) Two percent (2%) to the horsemen's association representing standardbred owners and trainers.

(B) Fifty percent (50%) to the breed development fund established for standardbreds under IC 4-31-11-10.

(3) Eight percent (8%) for quarter horse purposes as follows:

(A) Seventy percent (70%) for the following purposes:

(i) Ninety-five percent (95%) for quarter horse purses.

(ii) Five percent (5%) to the horsemen's association representing quarter horse owners and trainers.

However, in the first year after the commencement of slot machine operations, the money distributed under this clause may not exceed the lesser of two million seven hundred thousand dollars (\$2,700,000) or five and six-tenths percent (5.6%) of the total amount of money distributed under this subsection. If quarter horse races average at least seven and five-tenths (7.5) horses per gate in the first year after the commencement of slot machine operations or in a subsequent year, the money distributed under this clause for quarter horse purposes shall be increased by ten percent (10%) in the following year. However, the money distributed under this clause may not exceed five and six-tenths percent (5.6%) of the total amount of money distributed under this subsection. If the amount of money distributed under this clause is less than five and six-tenths percent (5.6%) of the total amount of money distributed under this subsection in a particular year, the amounts distributed under subdivisions (1)(A) and (2)(A) for that year shall be increased equally in proportional amounts.

(B) Thirty percent (30%) to the breed development fund established for quarter horses under IC 4-31-11-10.

1 **Sec. 10. (a)** As used in this section, "eligible county" means a
 2 county that does not contain either of the following:

3 **(1)** A riverboat licensed under IC 4-33.

4 **(2)** A racetrack authorized to conduct gambling games under
 5 this article.

6 **(b)** The revenue sharing fund is established. The revenue
 7 sharing fund shall be administered by the treasurer of state. The
 8 treasurer of state shall invest the money in the revenue sharing
 9 fund not currently needed to meet the obligations of the revenue
 10 sharing fund in the same manner as other public funds may be
 11 invested. Interest that accrues from these investments shall be
 12 deposited in the revenue sharing fund. Money in the revenue
 13 sharing fund does not revert to the state general fund at the end of
 14 a state fiscal year.

15 **(c)** Before August 15, the treasurer of state shall distribute the
 16 money deposited in the revenue sharing fund under this chapter in
 17 the previous state fiscal year to the county treasurer of each eligible
 18 county. Except as otherwise provided in this subsection, each
 19 county treasurer is entitled to a distribution of five hundred
 20 thousand dollars (\$500,000). If the amount of money deposited in
 21 the revenue sharing fund in the previous state fiscal year is
 22 insufficient to distribute the amount specified in this subsection,
 23 each county's distribution amount must be reduced equally.

24 **(d)** The county auditor shall distribute the money received by an
 25 eligible county under subsection (c) as follows:

26 **(1)** To each city located in the county according to the ratio
 27 the city's population bears to the total population of the
 28 county.

29 **(2)** To each town located in the county according to the ratio
 30 the town's population bears to the total population of the
 31 county.

32 **(3)** After the distributions required in subdivisions (1) and (2)
 33 are made, the remainder shall be retained by the county.

34 **(e)** Money in the revenue sharing fund is appropriated
 35 continuously for purposes of this section.

36 **Sec. 11. (a)** As used in this section, "political subdivision" means
 37 a county, city, or town.

38 **(b)** Money paid to a political subdivision under this chapter:

39 **(1)** must be paid to the fiscal officer of the political subdivision
 40 and must be deposited in the political subdivision's general
 41 fund;

42 **(2)** may not be used to reduce the political subdivision's
 43 maximum levy under IC 6-1.1 but may be used at the
 44 discretion of the political subdivision to reduce the property
 45 tax levy of the political subdivision for a particular year;

46 **(3)** may be used for any purpose specified in this chapter or

for any other legal or corporate purpose of the political subdivision, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and
(4) is considered miscellaneous revenue.

Sec. 12. The school rainy day fund is established. The fund shall be administered by the treasurer of state. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the school rainy day fund. Money in the revenue sharing fund does not revert to the state general fund at the end of a state fiscal year. Money in the fund may be used to supplement state tuition distributions when state revenues do not permit fully funding state tuition support distributions.

Chapter 9. Penalties

Sec. 1. This chapter applies only to gambling games authorized under this article.

Sec. 2. A person who knowingly or intentionally aids, induces, or causes a person who is:

- (1) less than twenty-one (21) years of age; and
- (2) not an employee of a licensee;

to enter or attempt to enter the licensee's slot machine facility commits a Class A misdemeanor.

Sec. 3. A person who:

- (1) is not an employee of a licensee;
- (2) is less than twenty-one (21) years of age; and
- (3) knowingly or intentionally enters the licensee's slot machine facility;

commits a Class A misdemeanor.

Sec. 4. A person who knowingly or intentionally:

- (1) makes a false statement on an application submitted under this article;
- (2) conducts a gambling game in a manner other than the manner required under this article; or
- (3) wagers or accepts a wager at a location other than a licensee's slot machine facility;

commits a Class A misdemeanor.

Sec. 5. A person who knowingly or intentionally does any of the following commits a Class D felony:

- (1) Offers, promises, or gives anything of value or benefit:
 - (A) to a person who is connected with a licensee, including an officer or an employee of a licensee; and
 - (B) under an agreement to influence or with the intent to influence:
 - (i) the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect

- 1 the outcome of a gambling game; or
- 2 (ii) an official action of a commission member.
- 3 (2) Solicits, accepts, or receives a promise of anything of value
- 4 or benefit:
- 5 (A) while the person is connected with a licensee, including
- 6 as an officer or employee of a licensee; and
- 7 (B) under an agreement to influence or with the intent to
- 8 influence:
- 9 (i) the actions of the person to affect or attempt to affect
- 10 the outcome of a gambling game; or
- 11 (ii) an official action of a commission member.
- 12 (3) Uses or possesses with the intent to use a device to assist in:
- 13 (A) projecting the outcome of a gambling game;
- 14 (B) analyzing the probability of the occurrence of an event
- 15 relating to a gambling game; or
- 16 (C) analyzing the strategy for playing or betting to be used
- 17 in a gambling game, except as permitted by the
- 18 commission.
- 19 (4) Cheats at a gambling game.
- 20 (5) Manufactures, sells, or distributes any game or device that
- 21 is intended to be used to violate this article.
- 22 (6) Alters or misrepresents the outcome of a gambling game
- 23 on which wagers have been made after the outcome is made
- 24 sure but before the outcome is revealed to the players.
- 25 (7) Places a bet on the outcome of a gambling game after
- 26 acquiring knowledge that:
- 27 (A) is not available to all players; and
- 28 (B) concerns the outcome of the gambling game that is the
- 29 subject of the bet.
- 30 (8) Aids a person in acquiring the knowledge described in
- 31 subdivision (7) to place a bet contingent on the outcome of a
- 32 gambling game.
- 33 (9) Claims, collects, takes, or attempts to claim, collect, or take
- 34 money or anything of value in or from a gambling game:
- 35 (A) with the intent to defraud; or
- 36 (B) without having made a wager contingent on winning a
- 37 gambling game.
- 38 (10) Claims, collects, or takes an amount of money or a thing
- 39 of value that is of greater value than the amount won in a
- 40 gambling game.
- 41 (11) Uses or possesses counterfeit tokens in or for use in a
- 42 gambling game.
- 43 (12) Possesses a key or device designed for:
- 44 (A) opening, entering, or affecting the operation of a
- 45 gambling game, a drop box, or an electronic or mechanical
- 46 device connected with the gambling game; or

(B) removing coins, tokens, or other contents of a gambling game.

This subdivision does not apply to a licensee or an employee of a licensee acting in the course of the employee's employment.

(13) Possesses materials used to manufacture a slug or device intended to be used in a manner that violates this article.

Chapter 10. Employment

Sec. 1. (a) This section applies if a permit holder's employees are covered under the terms of a collective bargaining agreement that is in effect at the time a gambling game license is issued to the permit holder under IC 4-35-5.

(b) If a permit holder has nonsupervisory employees whose work is:

(1) directly related to:

(A) pari-mutuel terminal operations; or

(B) money room functions associated with pari-mutuel wagering on horse racing; and

(2) covered under the terms of a collective bargaining agreement;

the permit holder shall, subject to subsection (c), staff nonsupervisory positions directly related to the operation of gambling games under this article with employees whose work is covered under the terms of a collective bargaining agreement.

(c) The employees described in subsection (b) must be qualified to meet the licensing requirements of this article and any criteria required by the commission in rules adopted under IC 4-22-2.

Sec. 2. The job classifications, job duties, wage rates, and benefits of nonsupervisory positions related to gambling games may be established by agreement of the parties to a collective bargaining agreement or, in the absence of an agreement, by the permit holder."

Page 38, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 15. IC 6-8.1-1-1, AS AMENDED BY P.L.214-2005, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); **the taxes imposed on slot machine wagering at racetracks (IC 4-35-8)**; the gross income tax (IC 6-2.1) (repealed); the utility receipts tax (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the

alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer."

Page 39, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 11. IC 21-3-1.7-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 11. (a) In addition to the distributions under sections 8.2 and 9.8 of this chapter, a school corporation is eligible for an amount determined by the department of education for textbooks.**

(b) The distribution received under this section shall be deposited in the school corporation's general fund and used only to reduce the cost of textbooks rented to the students of the school corporation."

Page 40, line 35, strike "or".

Page 40, line 37, delete "IC 4-32.2." and insert "**IC 4-32.2; or**".

Page 40, between lines 37 and 38, begin a new line block indented and insert:

"(3) a gambling game operated in accordance with IC 4-35."

Page 40, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 17. IC 35-45-5-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 11. This chapter does not apply to a gambling game authorized by IC 4-35."**

Page 41, after line 36, begin a new paragraph and insert:

"SECTION 18. [EFFECTIVE JULY 1, 2006] **(a) If the Indiana gaming commission determines that a permit holder (as defined in IC 4-35-2-7, as added by this act) has met the requirements of this act, the Indiana gaming commission shall adopt a resolution authorizing the permit holder to conduct gambling games under IC 4-35, as added by this act. The Indiana gaming commission may exercise any power necessary to implement this act under a resolution authorized under this SECTION.**

1 **(b) The Indiana gaming commission shall authorize a permit**
 2 **holder to conduct gambling games in a temporary facility upon the**
 3 **Indiana gaming commission's approval of the permit holder's plans**
 4 **for a permanent facility. Gambling games may be conducted in a**
 5 **temporary facility under this SECTION for not more than eighteen**
 6 **(18) months.**

7 **(c) This SECTION expires January 1, 2009.**

8 SECTION 19. [EFFECTIVE JULY 1, 2006] **(a) There is**
 9 **appropriated to the department of agriculture established by**
 10 **IC 15-9-2-1 twenty-five million dollars (\$25,000,000) from the fees:**

11 **(1) collected under IC 4-35-5-3, as added by this act; and**

12 **(2) deposited in the state general fund under IC 4-35-5-8, as**
 13 **added by this act.**

14 **(b) Money appropriated under this SECTION must be used**
 15 **after September 1, 2006, to promote the following:**

16 **(1) Agriculture based economic development.**

17 **(2) Conservation.**

18 **(3) Research.**

19 **(4) Education.**

20 **(c) The money appropriated by this SECTION does not revert**
 21 **to the state general fund at the close of any state fiscal year but**
 22 **remains available to the department of agriculture until the**
 23 **purpose for which it was appropriated is fulfilled."**

24 Renumber all SECTIONS consecutively.

(Reference is to HB 1396 as printed January 24, 2006.)

Representative Goodin